



Committed to the future of rural communities.

USDA RURAL DEVELOPMENT
9173 W. Barnes Drive, Suite A1
Boise, ID 83709

Making Rural America a Better Place

SINGLE FAMILY HOUSING GUARANTEED NEWSLETTER IDAHO

Home Energy Advantage Pilot Program

We are pleased to announce a special eligibility consideration for low-and moderate-income home loan applicants who are purchasing newer, energy-efficient homes.

Under the special program called Home Energy Advantage, an eligible applicant's qualifying ratios can (both the front and back ratios) may be exceeded by up to two percentage points if an energy-efficient home is purchased. Applicants will receive this increased flexibility if they are purchasing a newer home that is energy efficient. In some cases, applicants may be able to afford a larger loan amount due to the qualifying flexibility because lower utility costs associated with newer homes equate to more income that can be applied to mortgage and other debt payment in a given month.

Effectively immediately, all homes that are built to meet the 2000 International Energy Conservation Code (IECC) or a subsequent comparable code are considered energy efficient, and borrower purchasing them are eligible for the two percentage point increase in qualifying ratios. Existing homes that meet the same standard, or are being retrofitted to meet it, are also eligible. The program is a nationwide pilot, and will operate for the next 18 months.

June 20, 2006

Newsletter Spotlight

Congratulations To:

Mountain West Bank,
Coeur d'Alene, ID

\$3 million lender

First Federal Savings Bank
Magic Valley, Idaho
Branches

\$2 million lender

Countrywide Home Loans
First Horizon Home Loans
JP Morgan Chase
FirstBank Northwest
Republic Mortgage Home
Bank of Idaho



June is National Home Ownership Month

Need Training on the GRH Program? Call Pam Cook, Rural Development State Office at (208) 378-5628. or by e-mail at: pamela.cook@id.usda.gov

Use of Down Payment Assistance Grants

Did you know that you can use down payment assistance/closing cost grants with a RD Guaranteed loan? ADDI, Home Funds, HomeStart, and CDFI/NRC funds are valuable tools to assist lenders in qualifying their applicants.

The RD guaranteed loan must have a first lien position and the amount of the guarantee cannot exceed 100% of the appraised value or 102% when including the guarantee fee in the loan amount. If there is a monetary monthly payment it must be included in the ratio determination. Otherwise, as long as our position is secure, we have no issue with subsequent lien holders. The lien position and the amount of that lien must coincide with the Loan Note Guarantee issued.

NEW PROPERTY ELIGIBILITY WEBSITE

Please make a note of the new web site as follows:

<http://eligibility.sc.egov.usda.gov/eligibility/eligibilityAction.do>



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